

Message Text

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ACTION AF-18

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20 STR-08

CEA-02 L-03 AGR-20 DODE-00 PA-04 USIA-15 PRS-01 DRC-01

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R 111036Z JAN 74

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 902

INFO AMCONSUL CASABLANCA

AMCONSUL TANGIER

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E.O. N/A

TAGS: BPRO, MO, US

SUBJ: PLANNING FOR MOROCCAN INVESTMENT MISSION

REF: STATE 243181, RABAT 0128

1. WE AGREE THAT WHOEVER UNDERTAKES INVESTMENT MISSION SHOULD BE PREPARED NOT ONLY ADDRESS BROAD LINES GOM ECONOMIC POLICY BUT ALSO ANSWER SPECIFIC QUESTIONS AMERICAN BUSINESSMEN MIGHT RAISE ON INVESTMENT AREAS OF INTEREST TO THEM. WE SEE SOME DRAWBACKS, HOWEVER, TO DEGREE USG WOULD BE IDENTIFIED WITH FORMULATION VERY DETAILED INVESTMENT PROPOSALS FOLLOWING SCENARIO PARA 2 STATE 24381.

2. OUR RESERVATIONS REVOLVE AROUND FOLLOWING CONSIDERATIONS.
A) AT THIS POINT, GOM WANT TO TEST THE WATER, MAKE CONTACT WITH POTENTIAL U.S. INVESTORS, INFORM THEM OF OPPORTUNITIES HERE, AND LEARN ABOUT THEIR INTERESTS, QUESTIONS AND REQUIREMENTS. IT IS LIMITED OFFICIAL USE

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SOPHISTICATED ENOUGH NOT EXPECT IMMEDIATE RESULTS FROM INVESTMENT

MISSION. DISILLUSION WOULD MORE LIKELY STEM FROM FAILURE, LIKELY IN OUR VIEW, OF OVERLY NARROW AND PREMATURELY FOCUSED VISIT AT THIS TIME. B) IF WE BECAME DEEPLY INVOLVED IN DESIGN INDIVIDUAL PROJECTS, WE COULD POSSIBLY BE SUBJECT TO GOM BACK-LASH FOR FAILING TO DELIVER WHAT, AFTER ALL, WE DO NOT CONTROL. C) BEFORE UNDERTAKING NEW INVESTMENT HERE, U.S. COMPANIES WILL NEED TO BE CONVINCED THAT CLIMATE FOR FOREIGN INVESTMENT HAS IN FACT IMPROVED. GOM HAS MADE PROMISING START IN THIS DIRECTION WITH PUBLICATION OF PLAN AND NEW INVESTMENT CODES. IT ALSO RECENTLY HAS GIVEN NUMBER ENCOURAGING SIGNALS THAT IT WISHES IMPROVE TREATMENT OF U.S. COMPANIES ALREADY ESTABLISHED. INTERESTED COMPANIES WILL LOOK FOR CONFIRMATION OF THESE TRENDS OVER COMING MONTHS, PARTICULARLY IN TERMS VIGOR WITH WHICH PLAN IMPLEMENTED. D) EXCEPT IN CASE SEMI-PUBLIC PROJECTS, GOM PREFERS LEAVE DETAILS OF SPECIFIC INVESTMENTS TO INITIATIVE OF PRIVATE SECTOR. THIS IS PARTICULARLY TRUE (AND LOGICAL) IN CASE EXPORT INDUSTRIES WHERE FIRMS INVOLVED KNOW FOREIGN MARKETS FAR BETTER THAN DO MOROCCANS. E) FROM OUR EXPERIENCE, POTENTIAL AMERICAN INVESTORS WOULD NOT WISH TO HAVE THEIR OPTIONS LIMITED BY OVERLY DETAILED PROPOSALS IN INITIAL STAGE OF MARKET EXPLORATION.

3. ON THESE GROUNDS, WE BELIEVE INTERESTS BOTH USG AND GOM WOULD BE BETTER SERVED BY SOMEWHAT REVISED SCENARIO. GOOD STARTING POINT WOULD BE DISCUSSIONS WITH AMBASSADOR SENOUSI IN WHICH DEPARTMENT A) STRESSED IMPORTANCE OF MISSION GOING AHEAD DESPITE IMANI'S DEATH; B) OUTLINED 8 INVESTMENT AREAS EMBASSY HAS IDENTIFIED; C) SUGGESTED THAT MISSION INCLUDE GOM OFFICIALS, PREFERABLY ENGLISH SPEAKING, WHO COULD DEAL WITH QUESTIONS ON THESE AREA AND FOLLOW THROUGH LATER WITH INTERESTED COMPANIES. CONTACTS WITH POTENTIAL INVESTORS IN US TO DETERMINE THEIR INTERESTS AND GENERAL QUESTIONS WOULD ALSO BE USEFUL. ONCE GOM PUT TOGETHER MISSION, WE COULD MEET WITH MEMBERS TO DISCUSS PROMISING AREAS FOR US INVESTMENT AND QUESTIONS US FIRMS LIKELY TO ASK (E.G. LAND USE, MOROCCANIZATION). CONTACT OF MISSION IN US COULD THEN BE BUILT AROUND BUSINESSES IN 8 AREAS WHILE ALSO COMPRISING A) BANKS, B) ASSOCIATIONS, C) SOME COMPANIES WITH GENERAL INTEREST IN MOROCCO AND D) SEVERAL PUBLIC RELATIONS FIRMS THAT HAVE DEMONSTRATED CAPABILITY TO DO INVESTMENT LIMITED OFFICIAL USE

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PROMOTION WORK FOR TOERH COUNTRIES AND THAT GOM MIGHT WISH RETAIN TO SERVE THIS FUNCTION FOR IT IN US.

4. GOM OFFICIALS WITH WHOM WE HAVE TALKED IN LAST SEVERAL DAYS TAKE IT FOR GRANTED THAT IMANI'S SUCCESSOR, WHOM THEY BELIEVE WILL BE APPOINTED VERY SOON, WILL BE ASKED TO UNDERTAKE MISSION TO US ALONG LINES ORIGINALLY CONTEMPLATED. NEUMANN

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